VI.—ANNOUNCEMENTS—*cont.*

(2) THE MADRAS AGRICULTURAL INCOME-TAX (SECOND AMENDMENT) BILL, 1961.

DEPUTY SPEAKER : I have to announce to the House that the Governor has given his recommendation for the introduction in the Madras Legislative Assembly of the Madras Agricultural Income-tax (Second Amendment) Bill, 1961.

IV.—GOVERNMENT BILLS—*cont.*

(5) THE MADRAS AGRICULTURAL INCOME-TAX (SECOND AMENDMENT BILL, 1961.

* THE HON. SRI M. A. MANICKAVELU : Mr. Deputy Speaker, Sir, I beg leave to introduce the Madras Agricultural Income-tax (Second Amendment) Bill, 1961, and move—

'That the Bill be taken into consideration.'

The Bill seeks to set right certain procedural defects noticed in the working of the Act. When the levy of Agricultural Income-tax was extended to non-plantation crops a special provision was made in section 34 of the Madras Plantations Agricultural Income-tax (Amendment) Act, 1958, for compounding the levy on the acreage basis. But some of the Agricultural Income-tax Officers granted permission for such composition under section 65 of the Madras Act V of 1955 instead of under section 34 of the Amendment Act, 1958. It is proposed to rectify this procedural irregularity and validate the assessments made in these cases.

According to section 9 (2) of the Madras Agricultural Income-tax Act, 1955, any person sending the return of his total agricultural income should include so much of the income of a wife or a minor child as arises directly from the assets transferred to the wife or minor child otherwise than for adequate consideration. The wording of this sub-section conveys the impression that it applies only to computation of total agricultural income and not also to composition cases in which the levy is fixed on acreage basis. In order to make the position clear it is proposed to include section 9 (2) of the 1955 Act in section 65 of the Madras Agricultural Income-tax Act, 1955, section 34 of the Amendment Act, 1958, and section 14 of the Madras Act 11 of 1961. I request the House, Sir, to accept the motion.

DEPUTY SPEAKER : Motion moved—

'That the Madras Agricultural Income-tax (Second Amendment) Bill, 1961, be taken into consideration.'

* SRI R. SRINIVASA IYER : Sir, there is not much to speak about the Bill that is now before the House. In 1955 an Act was passed with reference to the plantations only and then it was extended by suitably amending it with reference to lands other than plantations. But a few days ago the High Court of Madras has

8th December 1961] [Sri R. Srinivasa Iyer]

decided that where compounding has been granted by the Agricultural Income-tax Officer on an application by the assessee, compounding is not equal to assessment. Sir, with reference to compounding, the applicant gives the survey number, extent, classification, assessment, etc., of the land in so far as he knows. The Agricultural Income-tax Officer goes into it and verifies it with the information given by the karnam or some other person and he may find that he is in possession of little more land or a little less land or that the rate of assessment given by him is different. As it is a question of classification of land, dry or wet or otherwise, the particulars furnished by the person applying for compounding might be in a different manner. It may be that the land standing in his name might be in possession of another person who might actually be entitled to it. In such a case where an appeal is allowed by the Appellate Assistant Commissioner, the Government state that there is no right of appeal. It is justice that where the compounding officer or the Agricultural Income-tax officer takes into consideration several other factors and arrives at a different decision, the person affected must be given some opportunity of questioning it and pointing out to the higher authorities that the order is wrong in certain respects. But yet the Government in that case took it into their head and filed an appeal in the High Court and succeeded. I am only pointing out that this amending Bill with reference to non-plantation lands is new and when it is being applied, difficulties like the one mentioned in the Statement of Objects and Reasons appended to the Bill do arise. So, I would request that the Government should make provision for at least one appeal to the Board of Revenue or some authority like that in cases of compounding. A regular appeal to the Appellate Assistant Commissioner will be proper because he is the local person in the district or in the taluk as the case may be or in a particular region and he will be able to verify personally by inspecting the land itself with regard to classification and other things. Otherwise, the Bill as it is may be passed and the Government should not hesitate to bring forward such Bills as the one now brought forward with reference to compounding also.

* THE HON. SRI M. A. MANICKAVELU : The provision of compounding was contemplated in case the assessees were not accustomed to maintain accounts and where it was difficult to know what the income was and all that. As a sort of temporary measure or ad hoc measure, we allowed this provision of compounding. Now in this Bill, as I pointed out, there was that technical difficulty. The Assessing Officer instead of applying the provisions of the particular Act applied a different provision. All assessment made in that way might be questioned. Therefore in order to validate it, we have brought in this amending Bill. Now the hon. Member has pointed out a difficulty and as he himself stated, the decision of the High Court is a recent one. It is only a few days old. We shall look into that decision. I shall also ask the Department to examine the matter and see what could be done. With these words I request the House to accept my motion. 11-00 a.m.

DEPUTY SPEAKER : The question is—

'That the Madras Agricultural Income-tax (Second Amendment) Bill, 1961, be taken into consideration.'

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 5 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI M. A. MANICKAVELU : Sir, I move—

"That the Madras Agricultural Income-tax (Second Amendment) Bill, 1961 be passed."

DEPUTY SPEAKER : The question is—

"That the Madras Agricultral Income-tax (Second Amendment) Bill, 1961, be passed."

The motion was put and carried and the Bill was passed.

(6) THE MADRAS WAREHOUSES (AMENDMENT) BILL, 1961.

THE HON. SRI V. RAMAIAH : Sir, I rise to introduce the Madras Warehouse (Amendment Bill, 1961, and move—

"That the Bill will be taken into consideration."

Section 13 of the Madras Warehouses Act, 1951 (Madras Act XV of 1951) provides that every warehouseman shall insure against loss or damage by fire, rain, floods, theft, riot or civil commotion or any other prescribed event, such classes of the goods deposited in his warehouse as may be prescribed. The contingency of the goods being damaged by floods, rain, riot, or civil commotion is remote. Hence, compulsory insurance of goods against those risks is considered unnecessary. In the circumstances, with a view to avoid unnecessary financial commitment on account of the cost of such insurance to the depositor, it is proposed to undertake legislation to amend section 13 of the Madras Warehouses Act, 1951, so as to authorise Government to prescribe by rules the events against which the warehouseman has to insure the goods deposited in his warehouse.

2. The Central Warehousing Corporation has suggested the need for making the provisions of section 13 inapplicable to Warehousing Corporations established under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, if such Warehousing Corporations have agreed to compensate the depositor of goods against loss or damage from the prescribed events. It is proposed to accept the suggestion and to make the necessary provision in section 13 in that behalf.

3. It is also proposed to suitably amend section 27 of the Act so as to provide for the placing on the table of both the Houses of the legislature the rules and notifications issued under the Act